

**House Report 108-222 - FOREIGN OPERATIONS, EXPORT  
FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2004**

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**ADDITIONAL VIEWS OF HON. NITA M. LOWEY**

The total amount recommended in this bill of \$17.1 billion is far below the fiscal year 2003 spending level of \$23 billion for foreign operations, and is \$1.7 billion below the President's fiscal year 2004 request.

While I am in general agreement with the spending levels recommended in this bill within the reduced allocation, difficult choices had to be made. The bill at least maintains last year's levels for all categories of Child Survival and Health, provides an increase in HIV/AIDS and Basic Education funding, and funds reconstruction in Afghanistan. The bill also fully funds our commitments in the Middle East, a powerful statement at such a critical time in the peace process.

However, at the \$17.1 billion spending level, we, as a country, will devote less than 1 percent of our GDP to foreign assistance. The supplemental spending for war-related needs in Iraq and Afghanistan which brought the fiscal year 2003 total to \$23 billion sailed through Congress without controversy because it was judged vital to our national security. I anticipate we may be in a similar situation in the upcoming year, as the need for Iraq reconstruction funds become increasingly clear.

In comparison, additional resources for Africa have traditionally been much more difficult to come by. Everyone is aware of the long history of devastating and destabilizing humanitarian and political crises on that continent. Although this bill will slightly increase resources for Africa above last year, it merely begins to address the ongoing tragedies there.

The sad fact is that we, as a nation, have neglected the problems of Africa for decades. Chronic poverty, spread of infectious disease, and lack of good governance remain, despite the efforts we have undertaken so far across many Congresses and Administrations. We must no longer shy away from addressing these problems with sufficient resources and political will. Current Presidential initiatives are being touted as ultimate answers for these tragedies, but while these initiatives have the promise of getting increased resources to Africa, the actual effects they will have remain unclear.

The bill contains \$800 million for the first year of funding for the Millennium Challenge Account (MCA). While this initiative has been portrayed as helpful to Africa, I believe the jury is still out. According to the best information currently available, only three of eleven potentially qualifying countries for MCA resources are in Africa (Ghana, Lesotho, and Senegal). In 2005, of the

twelve countries most likely to qualify, again, only three are in Africa (Senegal, Lesotho, and Swaziland). If these projections are indeed true, the MCA will help, but it will not save, Africa.

With respect to HIV/AIDS, this bill contains \$1.27 billion, or \$30 million above the President's request. Taken together with funds included in the Labor, Health and Human Services bill, the House has approved a total of \$2.074 billion for HIV/AIDS for 2004. This is \$35 million above the President's request for 2004.

The enactment of legislation endorsing the President's \$15 billion/five-year plan, and authorizing \$3 billion for HIV/AIDS and infectious disease programs in 2004 has created the strong expectation that \$3 billion in HIV funding will be forthcoming. While in Africa recently, the President and the National Security Advisor publicly endorsed the \$3 billion spending level of 2004, and strongly implied that it was Congress that was reluctant to provide the \$3 billion level.

Unfortunately, the amendment I offered in Full Committee on the bill to provide the additional \$1 billion for HIV/AIDS failed. It was explicitly opposed by the White House. Similar amendments to move funding within the bill to HIV/AIDS from other accounts also failed. More funding for HIV/AIDS programs can be used effectively in 2004. The most recent United Nations report on HIV/AIDS cites the need for \$8.3 billion for HIV/AIDS programs next year, while estimating that only \$5.3 billion will be provided by all donors combined, leaving a gap of \$3 billion. There are still large areas in

Africa where condom distribution, access to HIV testing, and education programs are simply not available. More resources are necessary and our capacity to plan and deliver programs can, and must, be expended.

Additional HIV/AIDS funds will enable:

- speeding expansion of Mother-to-Child transmission programs;
- accelerating the creation of viable treatment programs;
- establishing drug purchase and distribution programs;
- expanding of the number of countries in the President's initiative beyond the 14 countries currently identified;
- expanding prevention programs.

The bill also contains \$350 million for basic education, which is \$100 million above last year. In addition, it requires an extensive report detailing precisely how the Administration will organize itself to truly expand our basic education efforts. Unfortunately, at the moment, there is no strategic focus to our education programs. They are scattered throughout the world, administered by a myriad of agencies and bureaus, and are severely underfunded. The President's 2004 request would have actually cut basic

education programs. There is a strong bipartisan consensus that providing more, and more focused, resources for basic education throughout the world is one of the best possible ways in which foreign aid can combat the extremism and hopelessness that breed terrorism. I am pleased that we have made strong statement in this regard, and I thank Chairman Kolbe for his leadership on this issue.

The bill also provides increased resources for Treasury Technical Assistance to help countries that are major source and transit points for terrorist financing close the gaping holes in their financial systems that let this funding slip through.

The decision to fund the Millennium Challenge Account at \$800 million, combined with the requirement to cut \$1.769 billion from the President's request to meet our 302(b) allocation, has resolved in several program cuts. There is no funding recommended for debt relief for the Democratic Republic of Congo. Cuts in Economic Support Funds, Eastern Europe, the New Independent States, and Development Assistance translate into probable cuts to Turkey, Pakistan and Africa, and a limited capacity to restore misguided cuts proposed by the Administration to Armenia, Cyprus, East Timor, Ireland, Russia, Ukraine, Central Asia, Kosovo, and Bosnia.

While I am supportive of the concept embodied in the proposal to establish the Millennium Challenge Account, I am concerned that budget realities that we will face this year and next put into jeopardy the promise made by the President--that the \$10 billion total intended for this initiative be additive to current levels of foreign assistance. Much of the bipartisan support in Congress for this initiative stems from the fact that it is supposed to help the poorest countries of the world, particularly in Africa, and that the resources for it will add to amounts currently spent on foreign assistance. Cuts to discretionary spending in this year's Budget Resolution, combined with unrealistic budget requests for Homeland Security, Education and other domestic programs, have translated into cuts in the allocation for foreign assistance. This situation is likely to worsen in fiscal year 2005. The President cannot expect Congress to support full funding of the MCA initiative going forward if other, ongoing programs in the Foreign Operations bill have to be cut.

I have always viewed foreign assistance as one of the three pillars of national security, along with defense and diplomacy. I believe the value of foreign assistance in spreading the ideals of democracy and freedom around the world and in eliminating the poverty that causes widespread instability in developing regions cannot be underestimated. However, except for a handful of notable instances directly linked to front-page current events, it has been difficult to ensure adequate funding for foreign aid priorities. Despite the initiation in the fiscal year 2004 bill of new Presidential initiatives, this year is no different. We still require far more resources than have been made

available, and I look forward to working with my colleagues in future years to ensure our priorities are adequately funded.

*NITA LOWEY*

